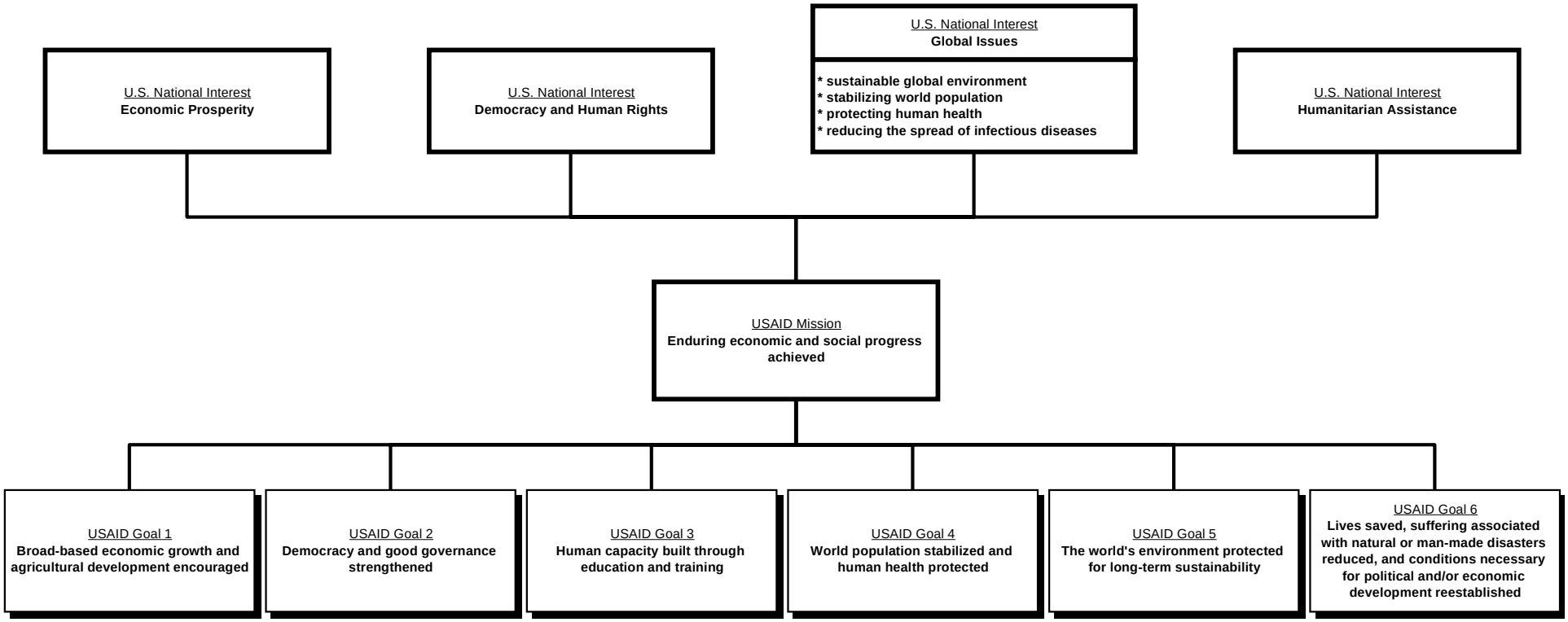
ANNEX 1

USAID'S STRATEGIC FRAMEWORK:

GOALS, OBJECTIVES AND PROGRAM APPROACHES

USAID's Contributions to U.S. National Interests
FINAL - 09/18/97



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USAID STRATEGIC PLAN
FINAL - 09/18/97

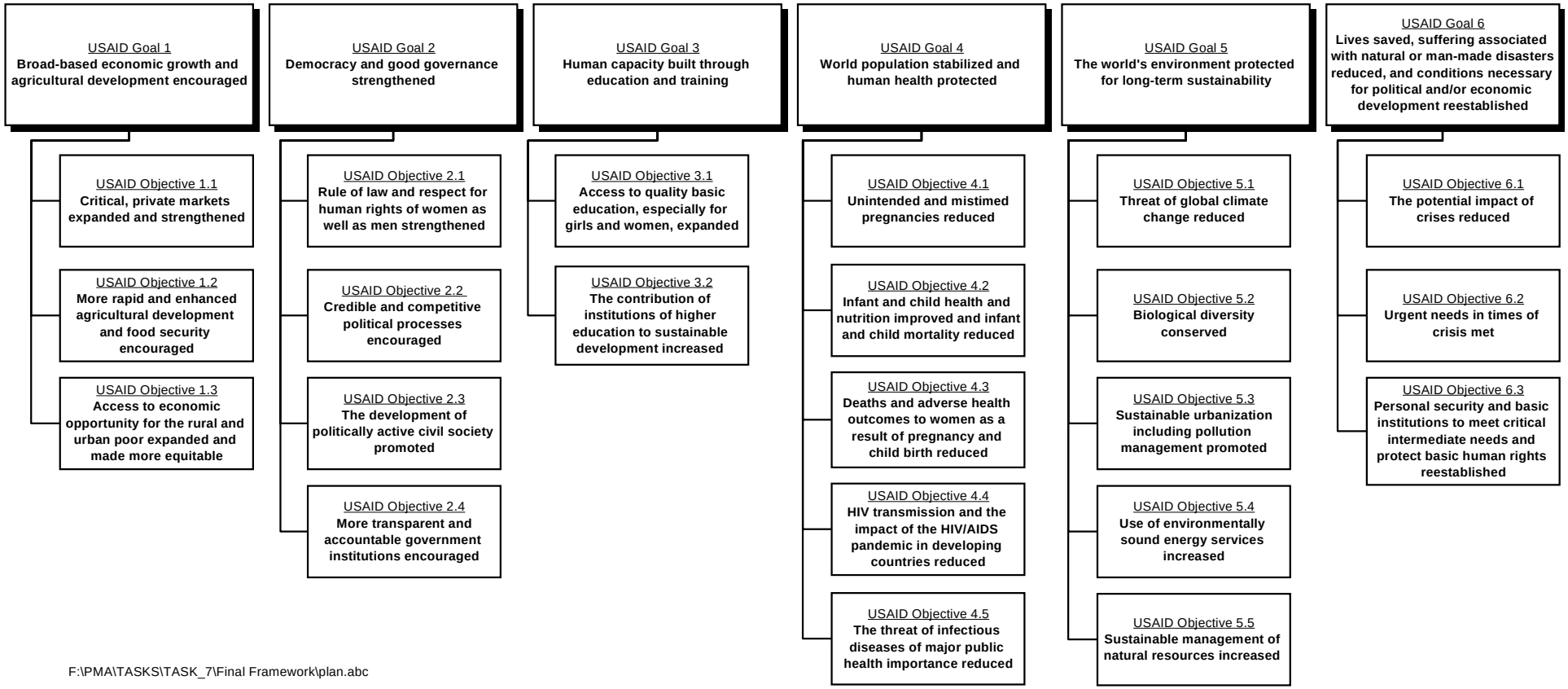

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Figure 3a: Economic Growth Strategic Framework
FINAL - 09/18/97

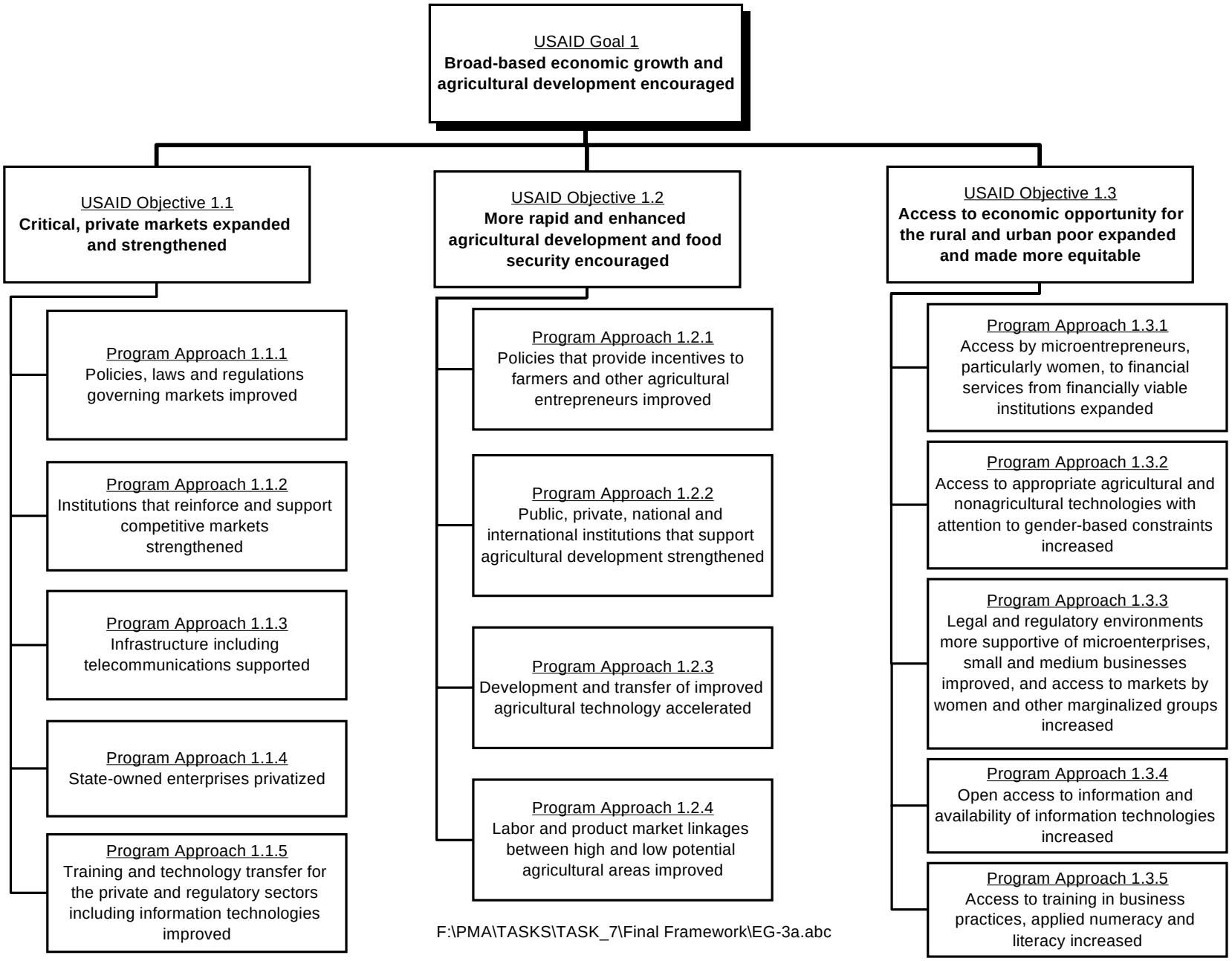

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Figure 4a: Democracy Strategic Framework FINAL - 09/18/97

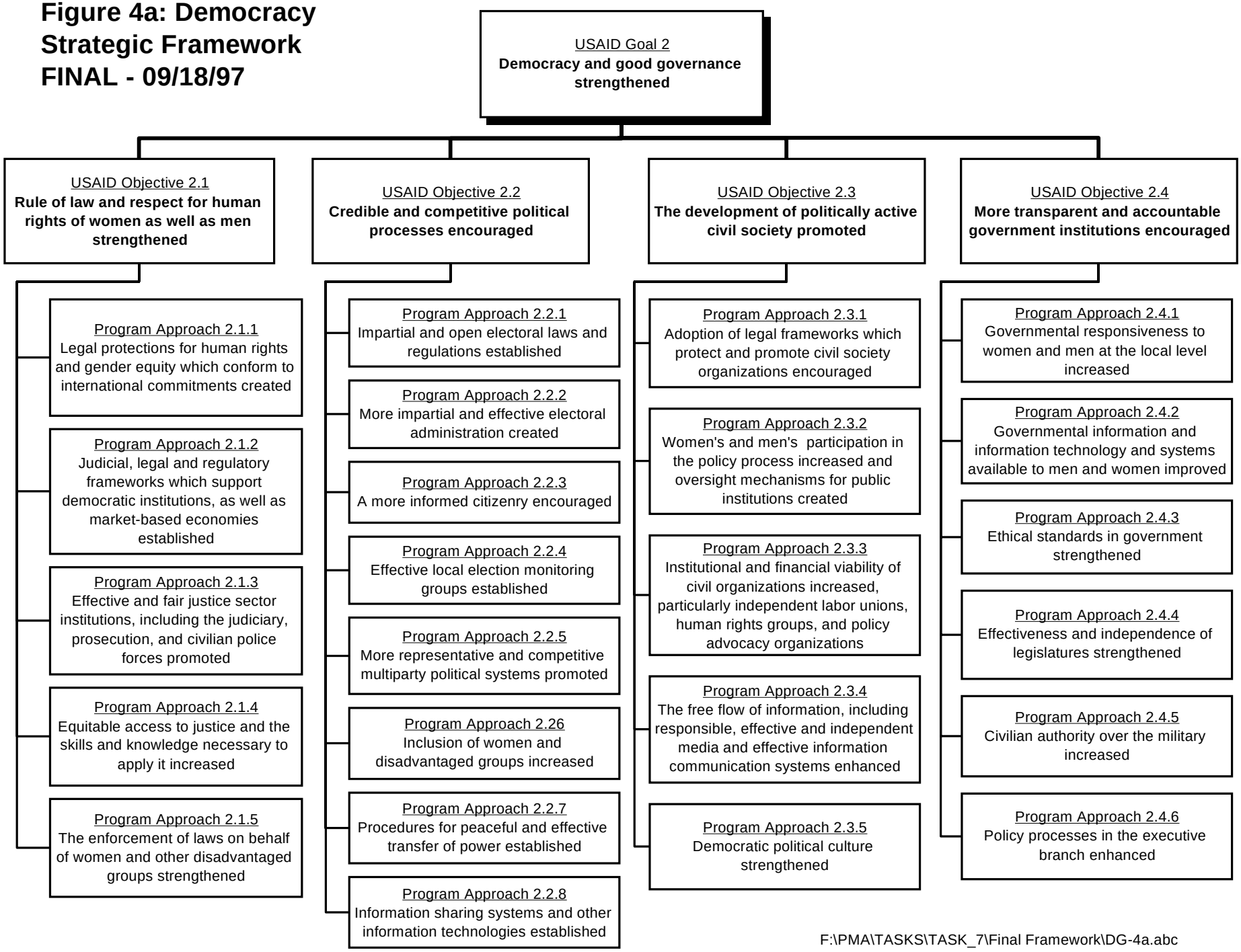

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Figure 5a: Human Capacity Development Strategic Framework
FINAL - 09/18/97

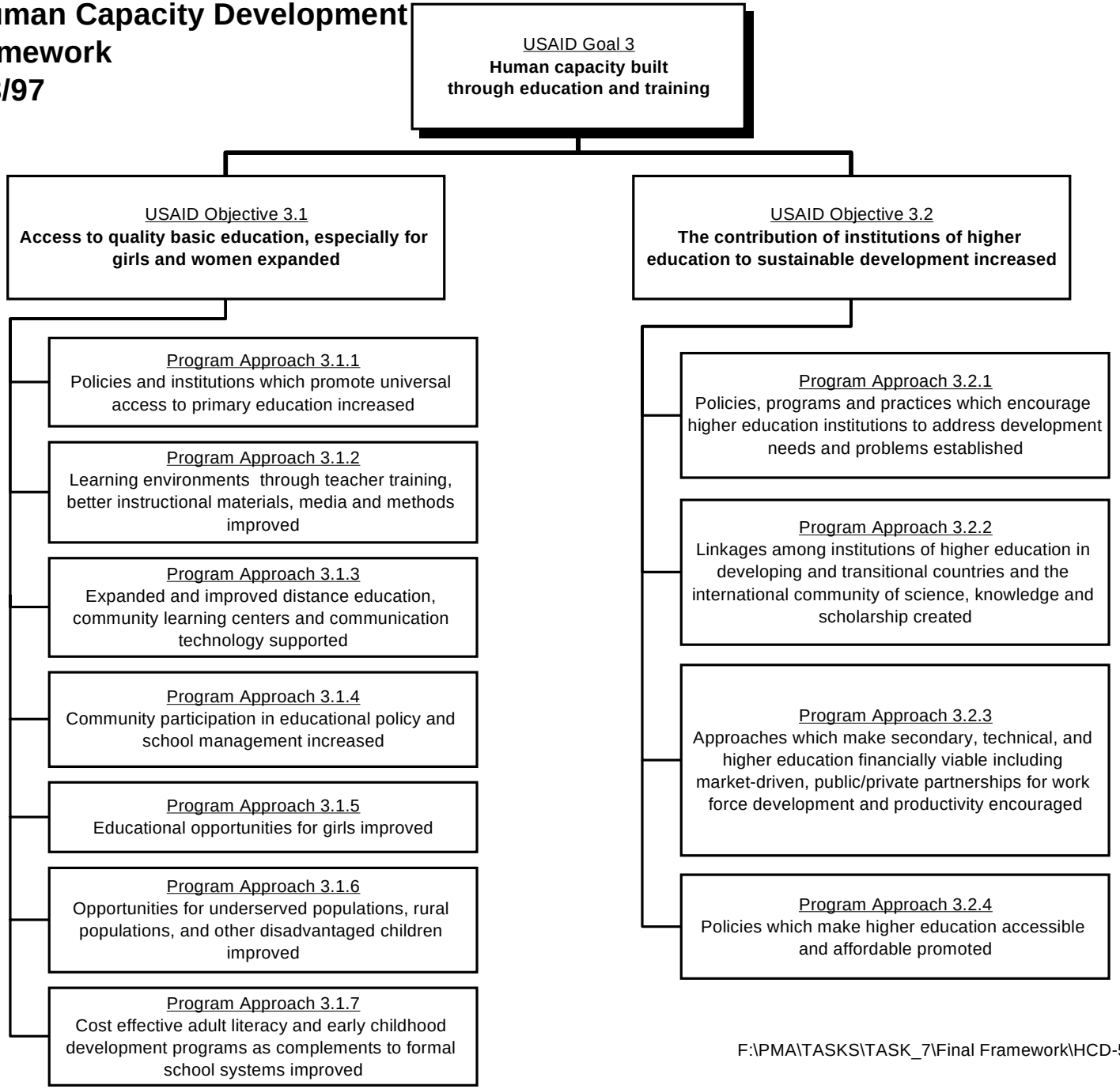

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Figure 6a: Population, Health and Nutrition Strategic Framework
FINAL - 09/18/97

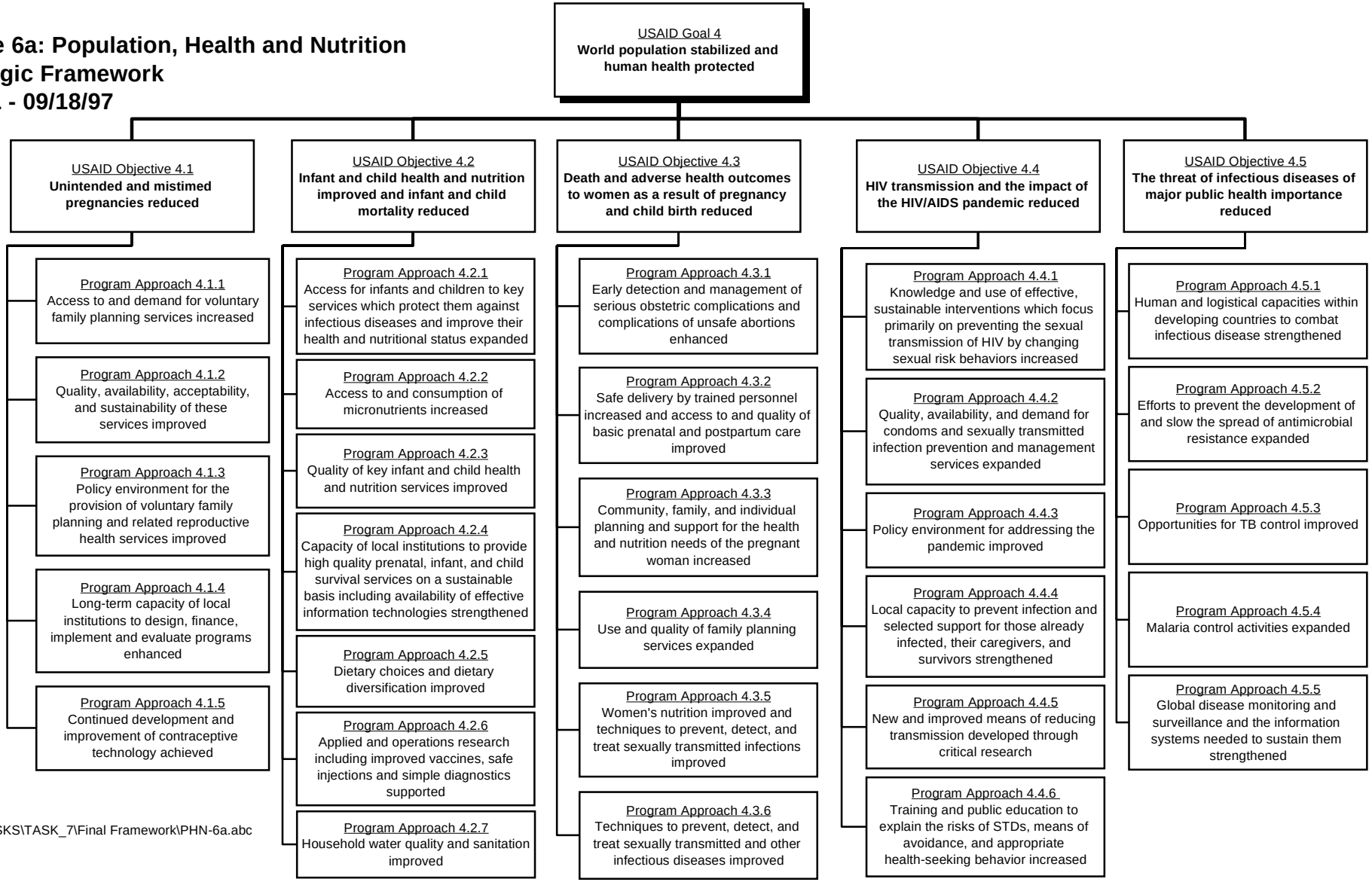

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Figure 7a: Environment Strategic Framework
FINAL - 09/18/97

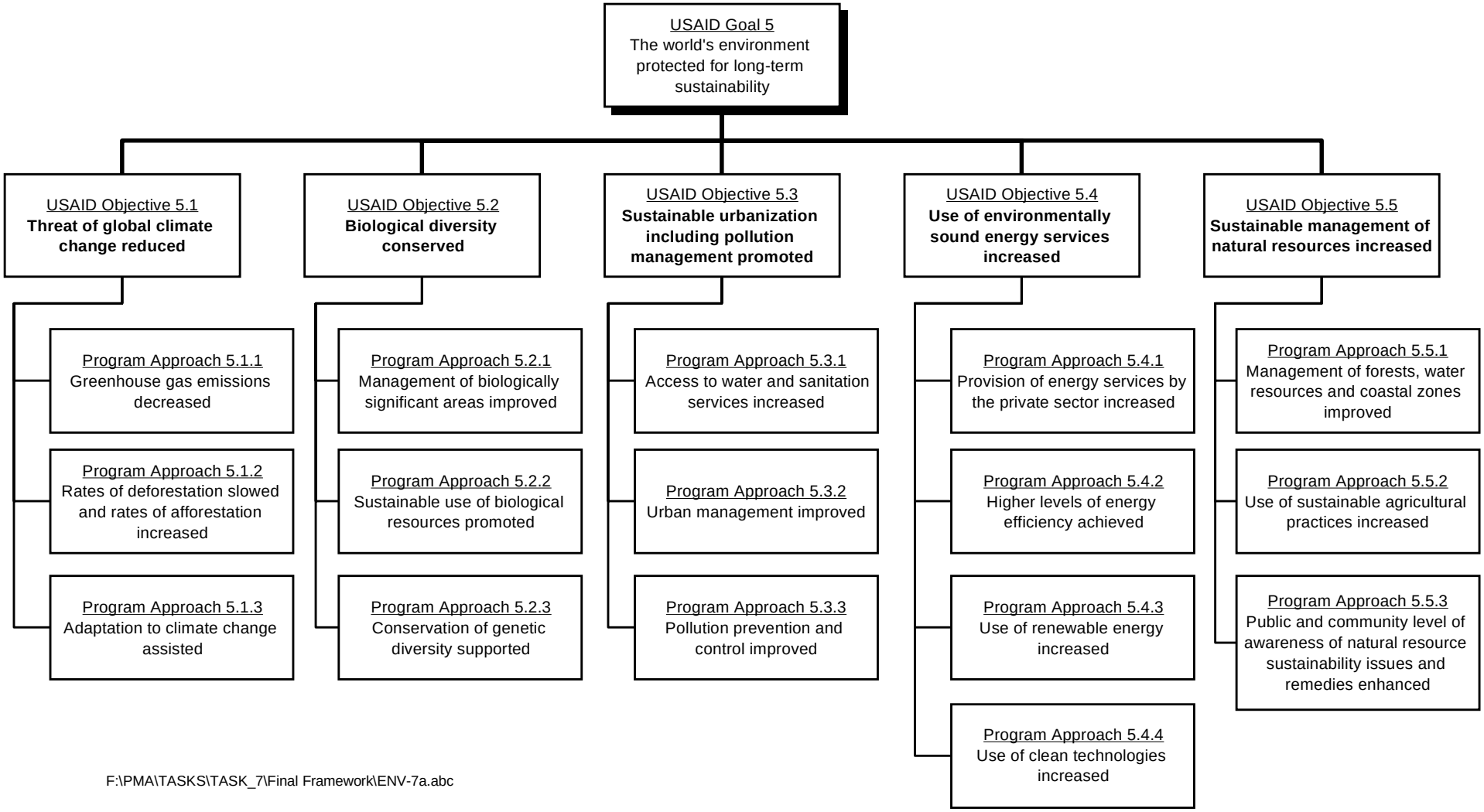

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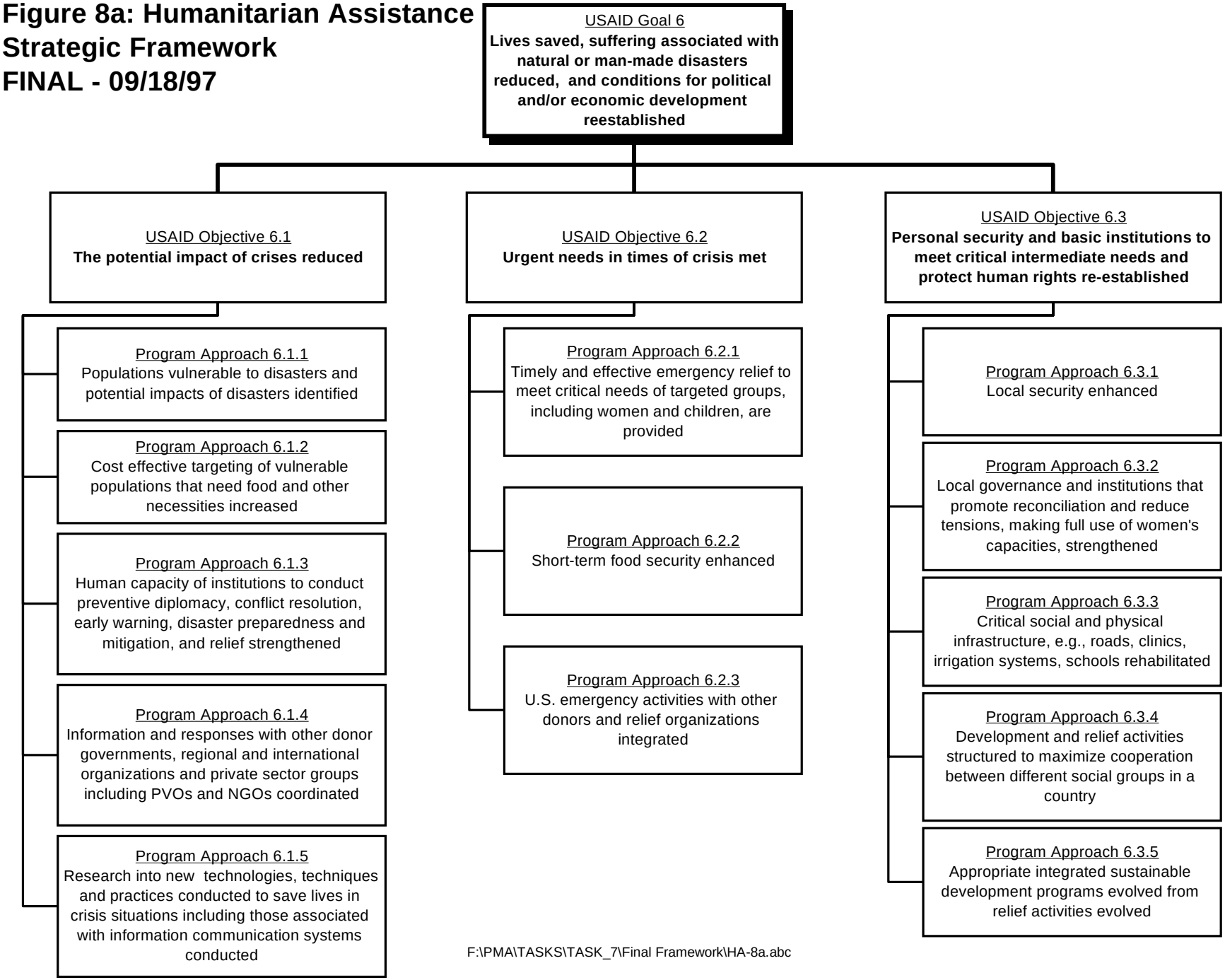
Figure 8a: Humanitarian Assistance Strategic Framework FINAL - 09/18/97



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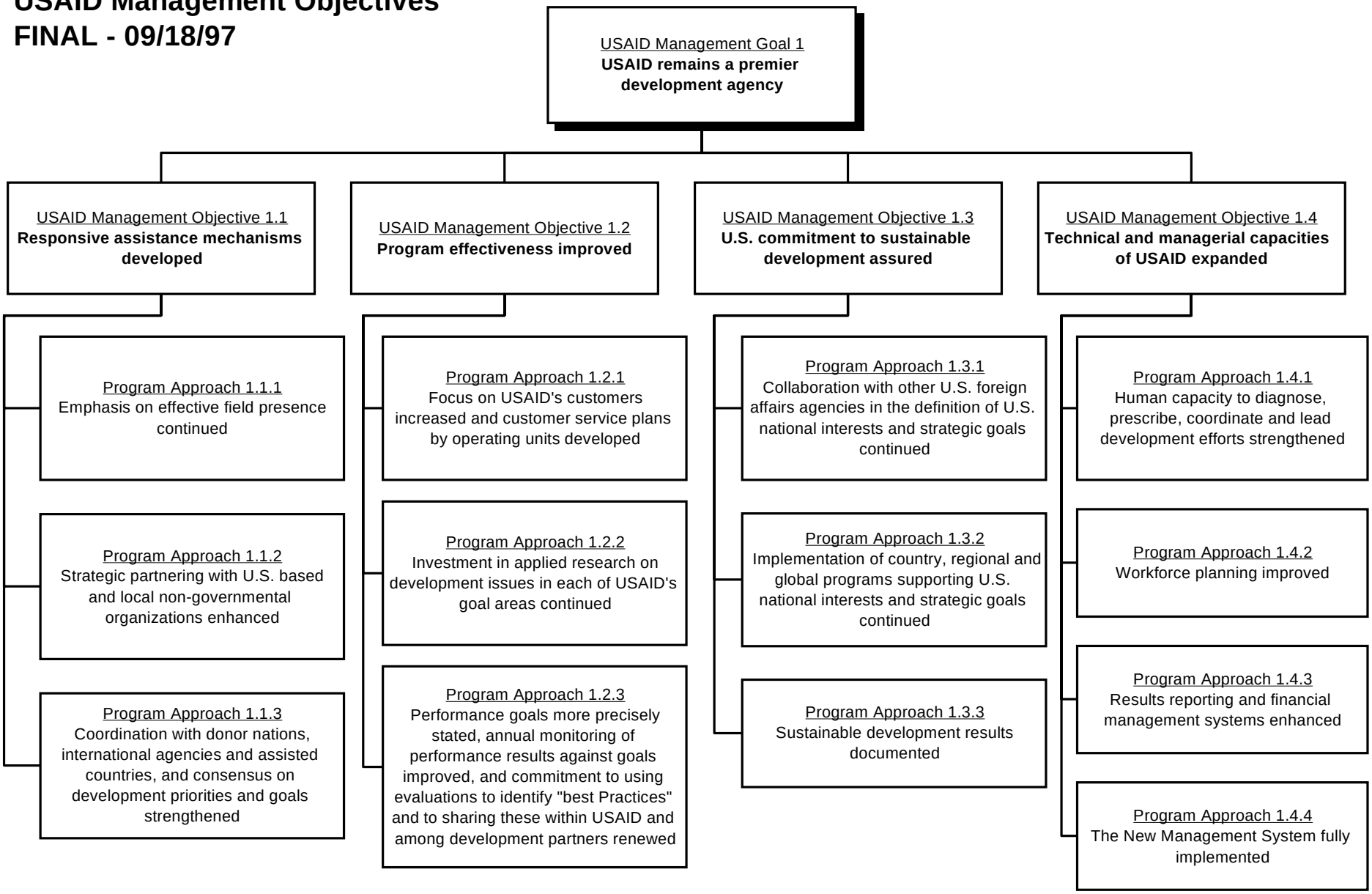
USAID Management Objectives
FINAL - 09/18/97



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Annex 2:
Justification for Performance Goals and Indicators

Introduction

USAID has selected a limited number of performance goals in each of the six Agency goal areas to express the broad development changes to which USAID expects to contribute over the next decade in concert with our development partners. Performance goals are limited in number, and do not necessarily cover all Agency objectives or program approaches. The performance goals are couched in terms of country-level development targets and trends. USAID recognizes these goals are beyond its manageable interest in that their achievement also depends on the work of our partners. Nevertheless, USAID believes that, through its collaborative relationships with host governments and other donors, it can significantly influence the desired results.

These Agency performance goals are complementary to those endorsed by the United States as part of the report by the Development Assistance Committee of the Organization for Economic Co-operation and Development entitled "Shaping the 21st Century: The Role of Development Co-operation". The United States played a leadership role in the development of these international targets, and they are consistent with our national interests and development goals and objectives.

Agency performance goals are of two types: (1) targets - explicit levels of results to be achieved within a ten-year timeframe; or (2) trends - desired directional changes sought. Indicators have been identified for measuring, analyzing and reporting on progress towards each of the performance goals. These performance goals are indicative, and may be subject to adjustment and refinement (to help ensure they are ambitious yet realistic), as further analyses of data availability, baselines and historical trends are conducted.

USAID will monitor and report on progress towards achievement of these performance goals in all developing and transitional countries, regardless of whether they have relevant USAID-assisted programs or not. In analyzing the data for any given performance goal, however, an effort may be made to focus on specific country groupings that are most relevant. For example, focusing on countries which have USAID-assisted population programs when assessing total fertility rate declines.

These agency goals and objectives are not to be confused with the goals and strategic objectives of its operating units or with program results that can be directly attributed to USAID programs. The number of hectares of biologically significant habitat where USAID has programs to improve management, the number of disaster refugees that received USAID food assistance, or the number of children's lives directly saved by USAID child survival programs, are examples of indicators at the operational level that are useful for aggregating program results across countries, but that are not

appropriate as Agency performance goals --which attempt to capture the broader country-level progress or trends expected as a result of collective efforts of all development partners and not just USAID. However, such USAID operational or program-specific measures will be included in the Agency's Annual Performance Plan and reported against in the Agency's Annual Performance Report.

For each Agency performance goal, this annex lists the indicator or indicators that will be used to monitor progress, and provides a justification for why the performance goal and indicator(s) were selected (i.e. its importance or significance, data quality and availability from existing international sources, etc.). In the case of specific targets, there is a justification for why it is both ambitious yet feasible to achieve. Detailed definitions of the indicators and data sources are also provided.

USAID Goal: Broad-Based Economic Growth and Agricultural Development Encouraged

Performance Goal: Average annual growth rates in real per capita income above 1 percent achieved

Indicator:
GNP per capita average annual growth rate (in constant prices)

Justification:
Out of 72 developing countries accounting for 2.7 billion people, 36 countries (accounting for about 75% of the group population) achieved economic growth rates above 1 per cent for the 1985-95 period. We have not done the same tally for transitional (from Communism) countries because the decade overall was inevitably one of decline and partial recovery for most of those countries.

Looking ahead, the pool of countries will "worsen" somewhat as higher-income, more successful countries graduate, and very poor countries emerging from crisis join the group. On the positive side, most expect improved growth performance in Africa, ENI, and LAC compared with the past decade, along with continued good growth performance in most of ANE. Indeed, over the course of the decade growth was accelerating in a number of countries.

Statistical analysis indicates that 1 per cent growth can be expected to reduce the proportion of the population below the poverty line. Indeed, one estimate (among several) indicates that a 10 per cent increase in per capita income will reduce the incidence of poverty by 29%. Other estimates indicate poverty would decline, but less rapidly.

Indicator Source:
World Bank, World Bank Atlas, World Development Indicators 1997 (table 1.3), and Data Tapes

Indicator Definition:
GNP per capita is the gross national product, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. GNP is the sum of gross value added by all resident producers plus any taxes (less subsidies) that are included in the valuation of output plus net receipts of primary income (employee compensation and property income) from nonresident sources. The growth rate is computed using the least squares method and constant prices.

Performance Goal: Average annual growth in agriculture at least as high as population growth achieved in low income countries

Indicator:
Difference between average annual growth rate of agriculture and average annual growth rate of population

Justification:

Looking at 38 low-income countries (about 2 billion people) over the 1980-95 period, sixteen countries (1.4 billion people) had agricultural growth at least as high as population growth.

Looking ahead, population growth rate projections show clear declining trends for almost all countries, on the order of several tenths of a percentage point. So, the target will be a little easier to reach in the future. Also, prospects for a policy setting that encourages agricultural growth are better. On the negative side, some of the better-performing countries will no longer be considered low-income.

Typically, GNP growth is above agricultural growth. So this target is not inconsistent with the 1 per cent growth target stated above.

Many in the agricultural community consider it vital that agricultural growth exceed population growth by one or two percentage points.

Overall there is a fair amount of tension here between what is considered good or acceptable performance, and what looks feasible based on historical performance.

Indicator Source:
World Bank, World Development Indicators 1997 (Table 4.1, 2.1) and Data Tapes

Indicator Definition:
Agriculture is the value added from forestry, hunting and fishing as well as cultivation of crops and livestock production. Country growth rates are calculated using constant price data in the local currency, and using the least squares growth rate method.

Total population is mid-year estimates based on national censuses, using the de facto definition of population, which counts all residents regardless of legal status or citizenship. Refugees not permanently settled in the country of asylum are generally considered to be part of the population of their country of origin. Average annual growth rate is based on the exponential change over the period.

Performance Goal: Proportion of the population in poverty reduced by 25 percent

Indicator:
percent of population below poverty line

Justification:
The main justification for this performance goal, despite severe data problems, is that it corresponds to a DAC "Shaping the 21st Century" target, the only one pertaining to economic well-being. It is a pro-rated version of the DAC target of reducing poverty by 50% in the developing countries by 2015. (We assume that 1997-2007 will reflect 1995-2005 data).

The target is feasible for developing countries that achieve positive economic growth. USAID estimates suggest per capita growth at 2 per cent will achieve the DAC poverty target. Some other estimates developed at the World Bank are more optimistic, e.g. a 29% decline in poverty for a 10%

increase (not growth rate) in per capita income. The empirical record suggests that changes in income distribution will by and large not undermine the impacts of growth on poverty.

The target is not only broadly feasible, but also meaningful and impressive. A 25% reduction in the incidence of poverty over 10 years would strike most observers as a fine achievement.

Indicator Source:
Various World Bank reports provide these data; for example, World Development Indicators 1997 (Table 2.5). They appear on an irregular basis, though with mounting frequency as the Bank and others increasingly track trends in poverty.

Indicator Definition:
The percentage of the population living on less than $1 a day at 1985 international prices, adjusted for purchasing power parity (i.e. the World Bank's International Poverty Line). This will be supplemented by reports using country-specific poverty lines.

Performance Goal: Openness and greater reliance on private markets increased

Indicators:
trade of goods and services average annual growth rate
foreign direct investment average annual growth rate
Economic Freedom Index

Justification:
Growth of trade and foreign direct investment are indications of integration into the global economy. Developing countries have participated extensively in global integration, although with sharp differences among countries. Integration matters because there is an association between integration and growth. Fast growth tends to reflect relatively rapid expansion of international trade and investment; and policies that promote an open economy also promote faster growth. Thus, lagging integration is a sign of policy deficiencies. In addition, integration can lead to higher growth through better resource allocation, greater competition, transfer of technology, and access to foreign savings.

The Heritage Foundation's Economic Freedom Index is an effort to empirically measure the level of economic freedom in countries around the world, using a variety of economic criteria. There is a strong correlation between levels of economic freedom and levels of development, with causality running in both directions. Both economic freedom and the level of development more generally are heavily dependent on well-functioning institutions (e.g court systems, institutions that support financial markets, tax systems, etc.) that are the hallmark of development progress.

Indicator Sources:
World Bank data on merchandise trade and direct foreign investment. See World Development Indicators, Tables 4.7, 5.2.
Heritage Foundation Annual Surveys of Economic Freedom

Indicator Definitions:

Merchandise trade includes all goods that add to or subtract from an economy's material resources. The World Bank calculates growth rates of export and import volumes from 1987 constant U.S. dollar prices series.

Foreign direct investment is net inflows of investment to acquire a lasting interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments.

The Economic Freedom Index measures how well countries score on a list of ten economic factors. The higher the score, the less supportive of private markets are institutions and policies. The factors are: (1) trade policy; (2) taxation policy; (3) government intervention in the economy; (4) monetary policy; (5) capital flows and foreign investment; (6) banking policy; (7) wage and price controls; (8) property rights; (9) regulation; (10) black market.

Performance Goal: Reliance on concessional foreign aid decreased in advanced countries

Indicators:
aid as percent of GNP

Justification:
Aid dependency ratios are useful indicators of recipient country reliance on concessional foreign aid, relative to the size of their population and economy. Poor countries tend to consume most of their income, leaving little savings. Thus, they depend on aid to raise investment, to purchase essential imports, and to maintain a minimum level of expenditure on education and health services. As countries develop, they become less reliant on aid. Exceptions to this pattern are the large, poor countries (e.g. India, China) where aid-to-GNP ratios are already low. Also, for foreign policy reasons, some countries (e.g. Israel) have received much larger amounts of assistance from one donor or another than warranted by considerations of development need.

Indicator Source:
World Bank, World Development Indicators 1997 (Table 6.10)

Indicator Definition:
ODA consists of net disbursements of loans and grants made on concessional terms by official agencies of the members of DAC and certain Arab countries to promote economic development and welfare in recipient countries listed as developing by DAC. Loans with a grant element of more than 25 percent are included as ODA. ODA also includes technical assistance. Official aid refers to aid flows from official donors to the transition countries of Eastern Europe and the former Soviet Union and to certain advanced countries and territories as determined by DAC. Official aid is provided under terms and conditions similar to those of ODA. Aid dependency ratio is computed using values in U.S. dollars converted at official exchange rates. See notes above for definition of GNP.

USAID Goal: Democracy and Good Governance Strengthened

Performance Goal: Level of freedom and participation improved

Indicator:
number of countries classified by Freedom House as free/partly free/not free

Justification:
Freedom House's classification of countries each year into broad categories of free, partly free and not free is a useful measure of the levels of freedom and participation in a country. The ratings measure the extent to which individuals enjoy rights and freedoms in each country. Broadly defined, freedom encompasses two sets of characteristics grouped under political rights and civil liberties. Political rights enable people to participate freely in the political process. Civil liberties refer to freedoms to develop views, institutions, and personal autonomy apart from the state. Over time, a reduction in the number of countries classified as not free and an increase in the number of countries classified as free would show progress is being made towards the USAID goal of strengthening democracy and good governance.

Indicator Source:
Freedom House, Freedom in the World: The Annual Survey of Political Rights & Civil Liberties, 1995-1996.

Indicator Definition:
The Freedom House survey team classifies countries as free, partly free, or not free based upon ratings of political rights and civil liberties (each is scored separately on a seven-point scale with 1 representing most free and 7 the least free). A country is assigned to one of the three categories based on responses to a checklist of questions about political rights and civil liberties and on the judgements on the Freedom House survey team. The numbers are not purely mechanical but reflect judgements.

Performance Goal: Civil liberties and/or political rights are improved

Indicators:
Freedom House score for political rights
Freedom House score for civil liberties

Justification:
Another measure of successful performance would be improvement in terms of changes in a country's political rights and civil liberties scores over time. Since these scores for countries are more likely to show change in the short-term, compared to changes in country status as free/partly free/not free, it's useful to look at them separately.

Indicator Source:
Freedom House, Freedom in the World: The Annual Survey of Political Rights & Civil Liberties, 1995-1996.

Indicator Definition:
The Freedom House annual surveys provides scores or ratings on a seven-point scale for political rights and for civil liberties (with 1 representing the most free and 7 the least free). Changes in countries' scores from year to year are monitored via annual surveys. The political rights score depends on answers to a checklist of questions dealing with issues such as whether there are free and fair elections, competitive political parties, opposition with an important role and power, freedom from domination by a powerful group (e.g. military, foreign power, totalitarian parties), and participation by minority groups. The civil liberties checklist asks questions such as whether there is a free and independent media; freedom of discussion, assembly and demonstration; freedom of political organization; equality under the law; protection from political terror, unjustified imprisonment and torture; free trade unions, professional and private organizations; freedom of religion; personal social freedoms; equality of opportunity; and freedom from extreme government corruption.

USAID Goal: Human Capacity Built Through Education and Training

Performance Goal: Proportion of the primary school age population not enrolled is reduced by 50 percent

Indicator:
net primary enrollment ratio
gross primary enrollment ratio

Justification:
Reducing the proportion of the primary school age population not enrolled by one half (50%) within ten years is consistent with the longer-term DAC "Shaping the 21st Century" target, which calls for achieving universal primary education in all countries by 2015 (pro-rated for the shorter ten-year timeframe). This performance goal is supportive of USAID's objective of expanding access to basic education.

However, because not all countries are starting from the same baseline, achieving this performance goal will be more difficult in some countries and easier for others. Countries that currently have very low primary enrollment ratios will require a greater effort to achieve the target than countries that already have high enrollment ratios. For example, if a country has a net enrollment ratio of 60%, that implies 40% of the school age population is not enrolled. The target would call for a reduction by half from 40% to 20% (or 80% enrollment). If another country has a net enrollment ratio of 90, this implies 10% of the school age population are not enrolled. In ten years, the target would be to reduce this to 5% (i.e. to 95% enrollment ratio).

Historical trend data indicate that while this performance goal is a reasonable target for many developing and transitional countries, it may be unrealistic for countries with low baseline enrollment ratios -- particularly in Africa and Asia/Near East countries. Countries that currently have net enrollment ratios of 70% or less are most likely to have difficulty achieving this target.

Indicator Source:
UNESCO Statistical Yearbook 1996 ; UNESCO 1995 World Education Report. Although school enrollment ratios are important indicators of access, the data are rife with errors. They are usually based on surveys by national education authorities conducted at the beginning of the school year, and do not reflect actual attendance. Net enrollment data are not available for many countries. To help remedy this data situation, USAID will soon be adding an education module to the DHS (Demographic and Health Surveys).

Indicator Definition:
The percent of the official primary school age population not enrolled is equivalent to 100 percent (representing universal access) minus the net primary enrollment ratio. Net enrollment ratio is the ratio of the number of children of official school age enrolled in school to the number of children of official school age in the population. Gross enrollment ratio is the ratio

of total enrollment, regardless of age, to the population of the age group that officially corresponds to the primary school level). Primary, or first level, provides the basic elements of education at elementary or primary school. The duration of primary school varies from country to country. Using net enrollment ratios is preferable to gross enrollment ratios. Gross enrollment ratios do not correct for overage or underage enrollments and thus a high ratio does not necessarily indicate a successful school system. Net enrollment ratios do make such adjustments, but data are less readily available in many countries. For these reasons, both net and gross enrollment ratio data will be monitored. However, because they are not comparable, net and gross enrollment ratios will not be "mixed" in the same cross-country analysis, but will be kept separate and distinct.

Performance Goal: Difference between girls' and boys' primary enrollment ratio is virtually eliminated

Indicator:
ratio of girls' enrollment ratio to boys' enrollment ratio

Justification:
This performance goal is consistent with the DAC "Shaping the 21st Century" target of eliminating gender disparity in primary and secondary education by 2005. Also, it's supportive of USAID's special focus on expanding basic education for girls.

However, it will be more difficult to achieve in countries where gender disparities are currently high than for countries where it is already low. For example, historical rates of progress indicate some countries that now have low female/male ratios-- especially in Africa and Asia/Near East -- may have difficulty achieving virtual elimination of disparity by 2007.

Indicator Source:
UNESCO 1995 World Education Report ; UNESCO Statistical Yearbook 1996

Indicator Definition:
The female/male participation ratio is the ratio of female gross enrollment ratio to male gross enrollment ratio. A female/male participation ratio of one (or more) implies the gap or disparity has been eliminated and girls have equal access as boys to primary education. (This may be more easily conceptualized as the number of girls enrolled in primary school for every boy enrolled).

Performance Goal: Primary school completion rates improved

Indicator:
percentage of cohort reaching grade five

Justification:
Indicators of grade progression provide a measure of how successful or efficient an education system is in maintaining a flow of students from one grade to the next, and thus of imparting a particular level of education. It gets at the Agency's concern of providing quality basic education, as opposed to just increasing enrollments or access.

Indicator Source:
UNESCO's 1995 World Education Report and Statistical Yearbook 1996.
(World Bank, World Development Indicators 1997 (table 2.9) has progression to grade four).

Indicator Definition:
Percentage of the cohort reaching grade five is the proportion of a single-year cohort of students that eventually reaches fifth grade, based on the reconstructed cohort method. This method uses data on average promotion, repetition, and dropout rates to calculate the flow of students from one grade to the next. The percentage of the cohort reaching grade five, rather than some other grade, is used to increase cross-country comparability (duration of primary schooling varies from 3 to 10 grades).

Performance Goal: Higher education enrollments increased

Indicator:
percentage of relevant age group enrolled in tertiary education

Justification:
Admission to tertiary education requires, at a minimum, successful completion of secondary education or some other evidence of attainment of an equivalent attainment of knowledge. Higer education enrollments, therefore, becomes a proxy measure of increased human capacity beyond basic or primary education.

Indicator Source:
World Development Indicators 1997 (table 2.8)

Indicator Definition:
Tertiary education includes universities, teacher colleges and other higher level professional schools.

USAID Goal: World Population Stabilized and Human Health Protected

Performance Goal: Fertility rate reduced by 20 percent

Indicator:
total fertility rate

Justification:
Total fertility rate (TFR) was chosen because it is widely accepted, well-defined, measurable, and straightforward to collect. A TFR of 2.1 would imply a replacement level fertility rate and is a precondition for population stabilization.

Since the initiation of USAID's population assistance program in the mid-1960s, the total fertility rate in the developing world (excluding China) has fallen from approximately 6 children per woman to 4 children per woman today--half of the decline required to reach the replacement rate of 2.1. Data from DHS surveys suggest that in 1987, the TFR in 45 USAID-assisted countries was 4.8. In 1996, it was 3.7. With continued strong family planning efforts, further declines can be expected.

A TFR target of 3.0 by 2007 (or about a 20 percent reduction) represents the likely change in fertility if contraceptive prevalence increases by one percentage point per year on average, which is reasonable given historical experience. Because the average is constructed from the experience of individual countries, there is a direct link between what happens at the country level and what happens at the global level for this variable. Progress in large countries, such as India, Indonesia, Brazil, and Kenya, for example, is critical to achieving the 2007 target.

The DAC Shaping the 21st Century Report uses a somewhat different global target -- access through primary health-care systems to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015. However, because there are definitional issues with this access indicator and because data are not readily available from an international source, USAID will be using the more direct total fertility rate measure instead.

Indicator Source:
The principal source of TFR data for the developing world is the Demographic and Health Surveys, which are routinely implemented in most USAID-assisted countries at least once every five years. Also available in World Bank, World Development Indicators 1997 (table 2.2).

Indicator Definition:
The total fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with prevailing age-specific fertility rates.

Performance Goal: Mortality rates for infants and children under the age of five reduced by 25 percent

Indicator:
under five mortality rate
Justification:
Under Five Mortality Rate (U5MR) is the principal indicator reflecting the overall mortality burden among children who are encompassed under the Agency's Child Survival program (that is, children in the first five years of life). This indicator is well-defined, and data on it are reported for virtually every country of the world. It is able to be derived from the most important standardized data collection approaches used in assessing child health, including the DHS.

Compared to the Infant Mortality rate, this indicator captures more effectively the impact of programs addressing major present causes of morbidity and mortality of children, such as diarrheal diseases, respiratory infections, and malnutrition, since mortality from these causes continues to be important into the second and third years of life, with some lesser effect in years four and five. In addition, this indicator is more likely than Infant Mortality to capture the effects of new threats to children such as HIV/AIDS, which is more likely to result in mortality after year one of life.

Since the initiation of USAID's Child Survival program in the mid-1980's, U5MR in 45 countries surveyed by the DHS has declined from approximately 125 deaths per thousand liveborn children, to approximately 89 (population weighted averages). Linear extrapolation of the trend established under the global Child Survival initiative would yield a year 2007 weighted average U5MR
target of 54; however, since this linear progression may level off in countries and regions as lower levels are reached (such as Latin America, where the linear projection would establish a year 2007 weighted average estimate of 6.5 deaths per thousand, lower than the present U.S. rate), a year 2007 target of 58 is recommended (implying about a 35 percent reduction).

As for other indicators, progress in more populous countries such as India, Bangladesh, Nigeria, and Ethiopia will contribute substantially to overall progress. However, there is also much impact to be gained through addressing the aggregate effect of smaller countries, especially in Africa and Southern Asia. For purposes of enhancing overall development and of equity, the U5MR indicator also helps target individual countries and areas within countries in which child survival, health and nutrition are lagging behind.

This USAID performance goal of reducing death rates for infants and children under the age of five by 35 percent by the year 2007 is consistent (on a pro-rated basis) with the longer-term DAC Shaping the 21st Century goal of a two thirds reduction by the year 2015.

Indicator Source:
USAID Demographic and health surveys (DHS). Estimates also available in World Bank, World Development Indicators 1997 (table 2.14).

Indicator Definition:
Under five mortality rate is the probability that a newborn baby will die before reaching age five, if subject to current age-specific mortality rates (per 1,000).

Performance Goal: Maternal mortality ratio reduced by 10 percent

Indicator:
early neonatal mortality rate

Justification:
Early neonatal mortality rate (ENMR) is used as a proxy for maternal mortality because the maternal mortality ratio is poorly measured due to the relative rarity of occurrence and the fact that many deaths are hidden. WHO estimates that there were 3,370,000 early neonatal deaths in 1995.

The early neonatal mortality rate reflects progress toward reduction of maternal mortality since decrease in ENMR is substantially dependent upon the health status of the pregnant woman and her care during pregnancy and birth--essentially the same immediate biologic and programmatic determinants of maternal mortality. The indicator is well-defined, possible to measure, and reasonably straightforward to collect.

Early neonatal mortality estimated rates in 1997 range from 4 to 43/1,000 live births. Since 1987, early neonatal mortality in the 40 countries surveyed has fallen from 24.1 to 21.5/1,000 live births over the decade. With continued programs in maternal health and accompanying immediate newborn care, routinely a part of USAID maternal health programs, further declines can be anticipated.

The target of 18.8/1,000 live births by 2007 (or about a 10 percent reduction) represents a linear extrapolation of a weighted average of annual decline in the past decade. Progress at a global level to achieve the 2007 target is particularly dependent upon progress in the large countries.

The DAC Shaping the 21st Century goal calls for a reduction in maternal mortality by three-fourths by the year 2015. The World Summit for Children (1990) had a target of 50 percent reduction in maternal mortality between 1990 and 2000, a goal the world is nowhere near reaching. The USAID performance goal of a 10 percent reduction by 2007, is less ambitious than these international targets, but more realistic given historical trends. Thus far, there is no evidence of a decline in maternal mortality, suggesting caution against projecting massive declines. Moreover, a more modest target is reflective of limited USAID funding in this area.

Indicator Source:
The principal source of the early neonatal mortality data is from the Demographic and Health Surveys, which are routinely implemented in most USAID-assisted countries with PHN programs every few years; the ENMR is currently available from 40 developing countries. The ENMR can also calculated from a WHO data base which includes data from vital registration, sample registration, and community studies, as well as DHS surveys.

Indicator Definition:
Early neonatal mortality is defined as the death of a liveborn infant during the first week of life (0-6 days). The rate is the number of early neonatal deaths per 1,000 live births.

Performance Goal: Rate of increase of new HIV infections slowed

Indicators:
-HIV prevalence rate in the adult population (with selected special surveys to allow interpretation of serial prevalence to estimate incidence of new infections)

-percentage condom use during last sexual encounter with a non-regular partner

Justification:
The ultimate measure of impact of HIV/AIDS prevention and mitigation programs would be a decline in the number of new annual HIV infections. However, unlike family planning and child survival incidence measures where incidence data can be obtained from verbal questionnaires, the cost of prospective cohort biologic HIV incidence studies would be prohibitive. Instead, two proxy indicators are used. Measurement of serial HIV prevalence rates in populations that engage in either high risk sexual behavior or in the general adult population can serve as a proxy for HIV incidence, if additional information is gathered that allows interpretation of serial prevalence data. In 1997, estimated HIV rates by region are: Sub Saharan Africa-5.6%, Caribbean-1.7%, Latin America and S/SE Asia-0.6%. During the next two to three years, as the surveillance systems are established in the USAID emphasis countries, select 2007 targets will be determined by country and by region.

As part of the redesigned portfolio for the Global Bureau, increased significance will be placed on establishing minimum HIV surveillance systems in USAID HIV emphasis countries. In addition to standardized, regular measurement of HIV prevalence in selected populations, the surveillance system will also include measuring key information that allows interpretation of serial prevalence data. This includes such parameters as AIDS mortality, levels of behavior change, STI prevalence, epidemic saturation modeling, and sampling strategies.

The indicator -- percentage condom use during last sexual encounter with a non-regular partner -- is currently more readily available and may also serve as a reasonable proxy for reducing new HIV infections.

Indicator Source
Estimations of HIV incidence (new infections of HIV/year) will be achieved through a combination of the following regular surveys and special studies: Serial HIV prevalence (The sentinel surveillance sites are to be supported through USAID, local government, or other donors); STI prevalence (USAID,local governments, and other donors); behavioral surveillance through DHS and targeted periodic behavioral surveillance studies (The level of condom use during last sexual contact with a non-regular partner will also be achieved through these two survey methodologies.); estimations of AIDS mortality achieved through DHS and selected vital statistics and hospital registration data; and estimation of epidemic saturation achieved through computer simulation modelling through collaborations with the U.S. Bureau of Census and UNAIDS.

Indicator Definition:
Serial HIV prevalence reflects the estimated prevalence rate of HIV-1 infection in persons 15 to 49 years of age. (Also see special studies in section above)

Number of people aged 15-49 reporting the use of a condom during the most recent act of sexual intercourse with a non-regular partner divided by the number of people surveyed aged 15-49 who report sexual intercourse with a non-regular partner in the last 12 months.

Performance Goal: Proportion of underweight children under five reduced

Indicator:
proportion of children under age 3 years who are underweight

Justification:
The use of a second child health performance goal is warranted. Nutritional status of children has been analyzed extensively and shown to have a major role in determining child survival. The proportion of children under age 3 years who are underweight reflects both acute and chronic undernutrition.

The most important reasons for including a nutrition status indicator in addition to a mortality indicator are to increase the focus on nutritional status not only as a determinant of survival, but also as an indicator of child well-being and of the impact of childhood on the future developmental potential of children; these dimensions are not captured by mortality indicators alone.

Globally, the UN estimated in late 1992 that about 40 percent of children (or 193 million) under 3 are underweight. While declines were evident in the period prior to 1990, the rate of decline has slowed down. The World Summit for Children Goal recommended a 50 percent reduction in malnutrition in under-fives between 1990 and 2000. this would suggest almost a 2 percentage point drop per year which is unlikely especially given the burden of undernutrition in South Asia and Sub-Saharan Africa.

The 2007 target is set around 30 percent of children under 3 being classified as underweight (implying a reduction of about 25 percent). Progress in such countries as India, Indonesia and Kenya is critical to achieving the target globally.

Indicator Source:
USAID DHS surveys. Data on the percentage of children undernourished are also available in World Bank, World Development Indicators 1997

Indicator Definition:
The anthropometric index, weight-for-age, is presented as a percentage of children under three years of age who are underweight -- falling below a cutoff of -2 standard deviations from an international reference population defined by NCHS/CDC/WHO.

USAID Goal: The World's Environment Protected for Long-Term Sustainability

Performance Goal: National environmental management strategies prepared

Indicator:
national environmental management strategies

Justification:
The DAC Shaping the 21st Century goal for environmental sustainability is to implement national strategies for sustainable development by 2005 so as to ensure current trends in the loss of environmental resources are effectively reversed by 2015. The USAID performance goal -- of monitoring whether governments have prepared national environmental strategies -- is supportive of the DAC target. It is a qualitative measure of a government's commitment to addressing environmental problems. The active implementation of such a national plan is generally seen as essential to the attainment of other environmental objectives.

Indicator Source:
The World Resources Institute and the World Bank, World Development Indicators 1997 (table 3.9), reports on whether countries have in place various national environmental strategies and action plans.

Indicator Definition:
National environmental management strategies include initiatives such as national conservation strategies, national environmental action plans, country environmental profiles, and biological diversity profiles. National conservation strategies (promoted by IUCN) provide a comprehensive, cross-sectoral analysis of conservation and resource management issues to help integrate environmental concerns with the development process. National environmental action plans (NEAPs - supported by the World Bank, USAID and others) describe a country's main environmental concerns, identify the principal causes of environmental problems, and formulate policies and actions to deal with them. NEAPs are a continuing process. Country environmental profiles identify how national economic and other activities can stay within the constraints imposed by the need to conserve natural resources. Some profiles also consider issues of equity, justness and fairness. Biological diversity profiles -- prepared by the World Conservation Monitoring Centre and UNCN -- provide basic background on species diversity, protected areas, major ecosystems and habitat types, and legislative and administrative support. They identify the status of sites of critical importance for biodiversity and report on threats to them.

Performance Goal: Conservation of biologically significant habitat improved

Indicator:
nationally protected areas (in hectares and as percent of total land area)

Justification:

USAID works with host countries and partners to improve the management of biologically significant areas both within and outside of officially protected areas. An ideal measure would consider both increases in quantity of biologically significant land area under protection and also improvements in the quality of their management. However, no existing international database provides data annually on such a measure. (Note: USAID is collecting information on improved management of biologically significant areas where it has programs, and this information is reported in its Annual Performance Reports.)

A proxy indicator which is readily available on a country by country basis -- nationally protected areas -- can be used to monitor increases in land area set aside under national protection systems. Protected area coverage averaged about 6.3 percent world-wide in 1996, and thus obviously misses a great deal of habitat important for biodiversity. Moreover, the measure says nothing about how effectively these protected areas are managed. Although it only covers a part of USAID's program emphasis, it is a reasonably good indicator of national commitment to conservation of biological diversity.

Indicator Source:
The main source of nationally protected areas is the IUCN World Conservation Monitoring Centre. Others sources such as the World Bank, World Development Indicators and the World Resources Institute, World Resources 1996-97 use data from World Conservation Monitoring Centre.

Indicator Definition:
Nationally protected areas combine natural areas in five World Conservation Union (formerly IUCN) management categories, including totally and partially protected areas of at least 1,000 hectares. Categories include 1. scientific reserves, 2. national and provincial parks, 3. natural monuments, 4. managed natural reserves and wildlife sanctuaries, 5. protected landscapes and seascapes. They do not include locally or provincially protected sites or privately owned areas.

Performance Goal: Rate of growth of net emissions of greenhouse gases slowed

Indicator:
carbon dioxide emissions, average annual rate of growth

Justification:
Carbon dioxide emissions from industrial processes-- burning fossil fuels and manufacture of cement-- are the largest source of greenhouse gases associated with global warming. Data are relatively easily available in timeseries. (Estimates are also available on carbon dioxide emissions from land use change; i.e. deforestation). In regions in transition, CO2 emissions are levelling off after a dramatic drop in early 1990s. Several rapidly industrializing countries are experiencing steep emissions growth -- Brazil, India and Indonesia increased emissions 20, 28, and 40 percent respectively between 1990 and 1995. Developing country carbon emissions are expected to equal those of industrial countries by 2020 at the current rate of increase.

USAID together with partners will strive to slow the rate of growth of carbon dioxide emissions over the next decade.

While other gases also contribute to the greenhouse effect (e.g. methane, CFCs, sulfur, nitrogen), they are less important, more difficult to estimate and are for the most part not readily available from international sources.

Indicator Source:
World Resources Institute, World Resources 1996-97, data from CDIAC, FAO and other sources. The Carbon Dioxide Information Analysis Center (CDIAC) sponsored by the U.S. Department of Energy calculates annual anthropogenic emissions of CO2. World Bank, World Development Indicators 1997 also has data on CO2 emissions from industrial processes (3.5).

Indicator Definition:
Carbon dioxide (CO2) emissions from industrial processes (in 000 metric tons) consists of total CO2 produced during the consumption of solid, liquid, and gas fuels and from gas flaring and the manufacture of cement. Data are available for all countries in timeseries from CDIAC. Carbon dioxide emissions from land use change are also available (in 000 metric tons) , from FAO.

Performance Goal: Urban population's access to adequate environmental services increased

Indicators:
percent of urban population with access to safe drinking water
percent of the urban population with access to sanitation services

Justification:
The goal of the Global Environment Urban Program is to provide access to urban environmental services, which include the provision of water, shelter, and sanitation services to the poor and disadvantaged populations in the developing world. Access to these services has shown to decrease the incidence of diarrheal and other infectious water-related diseases, thereby improving the general health and quality of life of these communities. These two global indicators are measures used by development agencies such as the World Bank and WHO to plan and measure the overall impact of their urban environmental infrastructure investment programs.

In the past decade, rapid population growth in urban areas has made more difficult the task of providing adequate urban environmental services. In the next few years, the world will become more than 50 percent urbanized. According to the World Resources Institute, “the International Drinking Water and Sanitation Decade of the 1980s fell far short of meeting its goal of water and sanitation for all.” Nevertheless, progress has been made in most countries. On average, in low income countries (excluding China and India) , the percent of the urban population with access to safe water increased from 64 to 71 percent and access to sanitation services increased from 43 to 67 percent during 1985 to 1993. USAID, in collaboration with our development partners, will seek to increase access even more in the decade ahead.

A drawback to using these indicators is poor data quality and coverage, with missing or out-of-date data for many countries, as well as concerns with reliability and cross-country comparability.
Indicator Source:

World Resources Institute, World Resources 1996-97, data from WHO
Also, data on sanitation available from World Bank, World Development Indicators 1997 (3.6).

Indicator Definition:
Reasonable access to safe drinking water in an urban area is defined by WHO as access to piped water or a public standpipe within 200 meters of a dwelling or housing unit. Urban areas with access to sanitation services are defined as urban populations serves by connections to public sewers or household systems such as pit privies, pour-flush latrines, septic tanks, communal toilets, or other such facilities. The WHO data were collected from national governments, and definitions of urban populations and services may vary, and might not be strictly comparable.

Performance Goal: Energy conserved through increased efficiency and reliance on renewable sources

Indicators:
GDP per unit of energy use
percent of energy production from renewable sources

Justification:
While energy is a critical factor of production, it is also -- through its generation -- a major source of pressure on the environment. Efficiency of energy use and reliance on renewable sources are therefore critical for achieving environmentally sustainable development.

The ratio of real GDP to energy use provides a measure of energy efficiency. However, over time this ratio is influenced by structural changes in the economy as well as changes in energy efficiency of productive sectors and differences in fuel mix. The rapid rise in energy use as countries industrialize and increase automobile ownership is a major negative factor influencing this ratio of GDP per unit of energy use. Offsetting this tendency, as countries modernize, is the growth of the less energy-intensive service sector. Technological changes in energy-intensive industries help increase overall energy efficiency. Shifts to thermodynamically efficient fuels can also help. The collective impact of these trends on the ratio of GDP per unit of energy use is hard to predict, both at the country level and for groups of countries.

Low income countries as a group increased GDP per unit of energy use somewhat, from 0.9 to 1.1 in the period between 1980 and 1994. However, low income countries excluding China and India, experienced decreases in per unit of energy use (from 3.3 to 2.7). Middle income countries together experienced a slight decrease in GDP per unit of energy from 1.3 to 1.2. Lower middle income countries have stayed about the same (1.0 and 1.0), while upper middle income countries have experienced a decrease (2.2 and 1.6) for the same period. Developing countries as a whole (low and middle income) experienced a slight decrease in GDP per unit of energy from 1.2 to 1.1.

Renewable energy is defined here as combination of geothermal, wind, and hydro (as solar becomes more prevalent, it could be added later to this combination). The manufacture of photovoltaic cells has grown by 14-15 percent per year recently, and is particularly important for remote areas in

developing countries, but at 700 MW of installed capacity, it is still a small part of overall global energy production and use.) Worldwide and in developing countries, geothermal energy production increased by 5.5 percent in 1996. Globally, wind generation grew by 26 percent in 1996. By comparison, oil, coal, and gas grew by 2.3, 1.8 and 4.5 percent respectively in 1996. However, renewable energy was only 3.7 percent of overall energy production.

USAID will work collaboratively with partners to conserve energy, by promoting use of renewable energy sources where feasible and by increasing energy efficiency.

Indicator Source:
World Bank, World Development Indicators 1997 (3.5), data from International Energy Agency's Energy Statistics and Balances of Non-OECD Countries.
World Resources 1996-97, for renewable energy by country, for the period 1973-1993 .

Indicator Definition:
GDP per unit of energy use is the U.S. dollar estimate of real GDP (at 1987 prices) per kilogram of oil equivalent of commercial energy use.

Percent of energy production from renewable sources is defined as a combination of geothermal, wind and hydro sources. It is measured in petajoules (1,000,000,000,000,000 joules) and can be calculated as a percentage of overall energy production in petajoules.

Performance Goal: Loss of forest area slowed

Indicators:
annual change in total forest area (percent change and in hectares)
annual change in natural forest area (percent change and in hectares)
annual change in plantation forest area (percent change and in hectares)

Justification:
Loss of the world's forests is a major environmental problem, and thus monitoring changes in forest cover is important. Permanent conversion of natural forests(tropical and temperate) to other uses reduces biological diversity and the possibility of sustainable management of forest resources. Reforestation, or plantation replantings, while helpful, are not yet in most countries keeping pace. Nor can plantation replantings necessarily replace the biodiversity lost from destroying old forests.
Unfortunately, the vast majority of the world's forests - 94 percent - have no official protection from expanding pressures of human activities.

According to Vital Signs 1997, between 1991 and 1995, the world lost an average of 11.3 million hectares of forest area annually. Total forest area, not including woodlands, now (in 1995) amounts to some 3.5 billion hectares. Most of this deforestation during 1991-95 occurred in tropical forest loss, which averaged 12.6 million hectares a year. Despite public attention to the issue of tropical forest loss, the damage has continued unabated from the 1980s; the average annual loss then was 12.8 million hectares. In developing countries, natural forest area (that is, old forests -not including

plantations) during 1991-95 declined by 13.7 million hectares annually, of which 12.9 million were tropical forests.

USAID will work, along with our development partners, to slow this loss of natural forests in developing countries, especially the loss of tropical forests.

Indicator Source:
World Resources Institute, World Resources 1996-97 (9.2) and also World Bank, World Development Indicators 1997 (3.1) reports on FOA surveys conducted in 1980 and 1990. Estimates of more recent trends are available in FAO State of the World's Forests, 1997.

Indicator definition:
Annual change in total forest area includes changes in both natural forest and plantation area. Annual change is expressed both in hectares and as a percent change from a base year. Negative numbers indicate a net loss of forest land while positive numbers indicate a net gain. The change in natural forests include the permanent conversion of natural forest area to other uses, including shifting cultivation, permanent agriculture, ranching, settlements, or infrastructure development. Deforested areas do not include areas logged but intended for regeneration or areas degraded by fuelwood gathering, acid precipitation, or forest fires. Thus, these data do not reflect the full extent of forest and biodiversity losses through degradation. Plantation refers to forest stands established artificially by reforestation for industrial and non-industrial uses. Forests are also classified as either temperate or tropical forests. FAO data may be particularly unreliable due to differing definitions and reporting systems.

USAID Goal: Lives Saved, Suffering Reduced, and Conditions for Political and Economic Development Re-established

Performance Goal: Crude Mortality Rate for refugee populations returned to normal range within 6 months of onset of the emergency situation.

Indicator:
Crude Mortality Rate (CMR) in Emergency Situations

Justification:
The CMR baseline from refugees is compared for that of country of origin with the CMR of the refugee/displaced population to indicate deviations from the mean. As most emergencies experience sharp increase in death rates in the very early phases of an emergency, ADI would monitor the rate of decline of the CMR over the first six months as a composite average of emergencies declared.

The major reported causes of death in refugee and internally displace populations have been those same diseases that cause high death rates in normal populations in developing countries malnutrition, diarrheal diseases, acute respiratory infections, measles and malaria. Between 60-95% of all reported causes of death in non-displaced population account for these diseases. In cases where malnutrition was not classified as an immediate cause of death, it played a major role in accounting for deaths from communicable diseases. The synergism between malnutrition and increased incidence of communicable disease explains much of the high rates of mortality in displaced populations (Ref. CDC report, 1997).

Longitudinal studies have shown that undernourished persons, especially children, are at higher risk for mortality, and that the immediate cause of death reported is most commonly a communicable disease. The population groups most at risk during non-famine and peaceful times — the young children, women of child bearing age, the elderly and the poor, are the same groups most at risk during a crisis or famine. The movement of displaced persons into crowded and unsanitary camp conditions, violence, fear and dependency exacerbate the health problems experienced by displaced populations.

Crude mortality data should be used for comparative purposes in emergencies. Rates of decline of crude mortality rates over the first six months immediately following a crisis are the most sensitive. CMR generally return to the CMR baseline of the population's country of origin within 6 to 12 months.

Indicator Sources:
Crude Mortality Rate: WHO, US Census Bureau (BUCEN);
refugee crude mortality rates: UNHCR, ACC/SCN, Center for Disease Control

Indicator Definition:
Crude mortality rate is expressed as deaths/1000/year/total population x 10,000

CMR is usually defined as "deaths/10,000/day"during the acute phase of a refugee emergency 1-6 months. During the acute phase, rates may change quite a bit...sometimes on a daily basis, but certainly on a weekly basis. Because the number of deaths is often very high using denominator of 10,000 allows for and smoothing out these fluctuations. Data is aggregated for a week and then presented as the formula above.

Calculation as follows:

1. Total the number of deaths for a given number of days (e.g. 7).

2. Divide the total by the number of days (avg number of deaths/day).

3. Divide this number by the size of the refugee population

4. Multiply by 10,000; Benchmarks for interpretation of mortality rates: (as per MSF,widely accepted in the UN/NGO community)CMR (deaths/10,000/day)0.5 ='s "normal rate" for developing countries (e.g. most sub-Saharan African countries have a CMR of 15/1000/year which is a rate of 0.4/10,000/day)

<1 refugee situation: under control

1-2 very serious situation

>2 out of control

>5 major catastrophe

Note: CMRs >5/10,000/day are very common. In Goma in 1994, the rate was about 25/10,000/day during the first 3 weeks!
Cutoffs for the interpretation of under 5 year old mortality are approximately double those of the above CMR cutoffs.

Later, CMR is expressed as "deaths/1000/month". There is no problem extrapolating between the two formulas. Summary data for Min of Health, UN, etc. compilations as are usually given as "deaths/1000/year"

Performance Goal: Nutritional status of children five and under populations made vulnerable by emergencies maintained or improved

Indicator:
Proportion of the children under 59 months who are wasted (weight-for-height)

Justification:
Child nutritional status in refugee and displaced populations is a key barometer of the health and nutrition situation of the overall displaced population in crises. There is a close correlation between malnutrition prevalence and crude morality (all ages) during a relief operation, as demonstrated by statistics on i.a., Somali refugees in Eastern Ethiopia from 1988-1989.

Indicator Source:
The principal sources of information for nutritional status in refugee and displaced population are derived from surveys conducted by private voluntary and non-governmental organizations, and UNHCR. These data are reported on a regular basis by ACC/SCN.

Indicator Definition:

The anthropometric index, weight-for-height, representing nutritional wasting, is defined as a percentage of children under six (6 -59 mos) who are wasted. The cutoff for wasting is under 2 standard deviations weight-for-height derived from a normalized international reference population defined by NCHS/CDC/WHO and children five and under with edema.
Children aged 0-6 months are generally not included in rapid nutrition surveys.

Background Note:
The Performance Goals were selected as a reasonable proxy for effective targeting of acute need and efficient delivery of services to vulnerable populations in emergency situations. After consideration of a more comprehensive performance goal that included health, it was decided that this would lend itself to difficult subjective judgements and measurement difficulties. Limiting the performance goal to changes in, or maintenance of, nutritional status will require agreement from a wide number of co-operating entities to standardize data collection which can not be accomplished before FY 1999. This will be an iterative process expanding coverage by BHR operating units, co-operators and their programs in the out-years. Pilot studies are being carried in FY 1997 and '98 to test the methodology and capacity to collect this information for FY '99. A second issue is assessing which cohort(s) of the population will be representative of targeted assistance and USAID resources attributable to results. The current thinking it to use the under 5 population as the most viable statistically representative cohort of our targeted assistance to report on performance measurement. Progress in expanding coverage by OFDA and FFP programs in reporting changes or maintenance of nutritional status will be monitored and factored into Agency's Annual Performance Plans.

Therefore, the Agency is supporting the development of an interim indicator on crude mortality rates (CMR) to develop a base line which can be used to measure results and performance for vulnerable populations. The indicators and justifications are reported below.

Performance Goal: Conditions for Social and economic development in post-conflict situations improved.

Indicator:
Number of people displaced by open conflict

Justification:
Direct measures of improved social and economic conditions on a country by country basis would require both technically difficult composite measure or indices that would be subjective in design (such as the Human Development

index: HDI))and in some cases be difficult to obtain reliable and consistent data. A simpler and indirect gross measure of improved social and economic conditions is the decline of numbers displaced by open conflict. The trend would be more significant than actual point estimates as unusually large events such as Rwanda would cause extreme gyrations in the year to year reporting. The data in and of themselves are a good proxy indicating changes in economic and social conditions in post conflict situations. They are the metaphor for conflict. When economic and social conditions improve, these groups tend to go home and/or become productive citizens again given the political will of government to do so. This data is regularly available and for refugees generally reliable. This is not necessarily the case, however with internally displaced persons (IDPs). Government tend not to recognize or count precisely this grouping within their own borders.

Indicator Definition:
Changes in the overall trend of displaced world-wide and by country where USAID has post-conflict programs and/or interventions will be tracked. Refugees and IDPs are a barometer for increases in levels of conflict and need to monitored to serve as early warning of heightened levels of conflict and can be used to target prevention and mitigation interventions in non-presence countries. The Agency also has a need to track performance results in post-conflict situations and migration flows to neighboring states and sub-regions.

Indicator Sources:
World Refugee Survey; U.S. Committee for Refugees; UNHCR; State Department Bureau for Population, Refugees and Migration.

Performance Goal: Freedom of movement, expression and assembly, and economic freedom in post-conflict situations increased.

Indicators:
Changes in the number and classification of designated post-conflict countries classified by Freedom House as free/partly free/not free.
Economic Freedom Composite Index

Justification:
Freedom House classifies countries each year into broad categories of free, partly free and not. These relative measures can be used to gauge the success of post-conflict transitions programs and interventions. The ratings measure the extent to which individuals participate fully in economic and political life against internationally accepted standards. Freedom encompasses two set of characteristics divided into political rights and civil liberties. Heritage Foundations Index of Economic Freedom measures how well countries score on a list of economic factors. While coverage is more limited, the extent to which market-orient trade of goods and services flourishes in post-conflict situations is re-established is a measure of success of an economic transition.

Indicator Definition:
The Freedom House survey team classifies countries in the above mentioned categories based upon ratings of political rights and civil liberties scored

separately on a sliding scale (1 representing most free and 7 least free). Subjective judgements are made based on a checklist of questions and values assigned.

The Heritage Economic Freedom Index uses a variety of factors in constructing weighted index. Factors of importance for post conflict transitions would be property rights, black market and government intervention into the economy.

Indicator Source:
Freedom House, Freedom in the World: The Annual Survey of Political Rights and Civil Liberties
Heritage Foundation, Index of Economic Freedom

USAID'S Management Goal: USAID remains a premier bilateral development agency

Performance Goal: Time to deploy effective development and disaster relief resources overseas reduced

Indicators:
percent of critical positions vacant
time to procure development services reduced

Justification:
Achieving sustainable development results requires skilled human resources, the timely procurement and delivery of development services, and accurate results and financial reporting mechanisms. The latter are the subject of a separate performance goals described below.

Improving response time is essential in achieving worldwide strategic development objectives as well as supporting rapid humanitarian assistance interventions. Vacant critical positions is a proxy measure of the Agency's skills level and the ability to design and monitor the results of high quality development services.

Procurement of development services is a proxy indicator that addresses the Agency's responsiveness, effectiveness and efficiency in delivering development resources. Although "procure" implies the contracting process, it also includes the Agency's planning and budgeting processes, as well as activity management roles embedded in its team structures, all of which impact on delivery of development resources.

Indicator Source:
staffing vacancy reports
direct-hire workforce assessment reports
New Management System (NMS) for procurement information

Indicator Definition:

Critical positions are those necessary to ensure full and complete financial, managerial and technical accountability for USAID managed resources. Vacancies in these positions increases USAID vulnerability to waste and mismanagement.

Procurement includes those actions through which USAID acquires the goods and/or services necessary to deliver its assistance; i.e., contracts, cooperative agreements and grants.

Performance Goal: Level of USAID managed development assistance channeled through strengthened U.S.-based and local non-governmental organizations increased

Indicator:

percent of USAID managed development assistance overseen by U.S. and local private voluntary organizations

Justification:

The USAID partnership with private voluntary organizations (PVOs) and non-governmental organizatons (NGOs) has been strengthened through a number of measures in recent years. USAID have revised its policy guidance, streamlined procurement principles and commissioned a study on the state of the partnership.

A measure of the strength of the partnership is the increase in the amount of USAID funds channeled through PVOs and NGOs. Since 1993, this amount has increased by approximately three percentage points each year for U.S. PVOs.

Indicator Source:

Management Bureau calculations (US PVO data)
PVO reporting (on PVO/local NGO partnerships)
NMS reporting

Indicator Definition:

Total funding for Development Assistance, the Development Fund for Africa, International Disaster Assistance and other disaster funding divided into the sum total of USAID funding from these accounts for PVO programs including cooperatives.

Performance Goal: Coordination among U.S.G. agencies contributing to sustainable development increased

Indicator:

statements at the objective level across the strategic plans of U.S.G. executive agencies concerned with sustainable development are consistent

duplication of activities at the USAID program approach level across U.S.G agencies concerned with sustainable development eliminated

Justification:

This performance goal is consistent with the intent of the Government Performance and Results Act that federal managers work from clearly articulated goals and objectives and the expressed interest of the Congress of the United States in reducing or eliminating competing U.S.G activities. The International Affairs Strategic Plan (ASP) identifies an initial set of U.S. national interests and strategies related to sustainable development, but there are redundancies within ASP and it was not readily available to concerned agencies as they developed their own strategic plans to ensure full coordination and complementarity. It is anticipated that inter-agency discussions around the ASP will begin in October 1997. USAID expects to participate fully in these discussions. Its goal will be to increase the harmonization of activities at the USAID approach level among U.S.G agencies concerned with sustainable development.

Indicator Source:

PPC/SPG assessments

Indicator Definition:

Objectives statements are defined as the next statement of purpose below the statement of goals in the ASP, Objectives statements answer the question of what an agency is doing or plans to do to address the ASP goal. Consistency of objectives statements is defined as agreement, across agencies, on how the objective is to be stated in each of their strategic plans. This is an interim, process-oriented indicator measuring consensus among agencies.

Approaches are defined as the next level below objectives. They are "through" statements and address what the agency will do to achieve the objective. Typically, there is usually more than one approach to achieving an objective which permits specialization rather than competition among agencies contributing to a single objective. The goal is to not have more than one agency pursuing the same approach(es) in the same country.

Objective statements and approaches are defined to various degrees in the strategic plans agencies will submit to The Congress of the United States on September 30, 1997. These plans provide baselines against which performance can be assessed.

Performance Goal: OECD agenda of agreed development priorities expanded

Indicator:
resource flows by major development goals
DAC consensus on strategies to reduce poverty

Justification: DAC Donors forged agreement in 1996 on a new strategic blueprint for development cooperation partnerships in the post-Cold War era. The blueprint, titled ***Shaping the 21st Century,*** included quantified targets to be achieved by 2015 on major development goals: reduced poverty, universal primary education, gender equality in primary and secondary education, reduced child and maternal mortality, access for all to reproductive health services, and reversing the loss of environmental resources. Donors recognized that attaining these quantified goals requires the evolution of more stable, safe, participatory and just societies. They agreed that reaching the targets depended on progress in the qualitative factors of democracy, rule of law, and human rights. Donors are working to implement this new strategic vision by refining development cooperation policies and programs.

Sets of consensus indicators for measuring developing country progress in reaching the targets are now being worked out in the DAC. In addition, DAC is developing new systems for collecting statistics on donor flows according to key development cooperation policy objectives. For the first time, comprehensive data will be available for all DAC donors and recipient countries. This data should be available initially next year and will make it possible to gauge the relationship of aid flows to development progress.

To implement their general agreement on aid policies, donors will need to review their strategic approaches for supporting development objectives, such as what works best to reduce poverty.

Indicator Source:

DAC statistics on aid flows and progress reporting by donors to DAC on implementing the **Shaping the 21st Century** partnership strategy.

Indicator Definition: Measurements by policy objectives of aid flows and LDC progress in reaching key development targets. Comparison of these measurements will indicated both the degree to which donors are concentrating resources on agreed objectives and the relationship of aid flows to host country development progress.

Performance Goal: Capacity to report results and allocate resources on the basis of performance improved.

Indicator:
financial and program results information readily available

Justification:

Financial and program results information are critical inputs to the Agency's decision making. USAID, through its managing for results reforms, has committed itself to basing resource allocation decisions on the performance of its programs, U.S. national interests, and the recipient's commitment to sustainable development. The absence of performance information undermines the Agency's efforts to manage for results.

Indicator Source:
annual Results Review and Resource Request Reports (R4)
CFO financial reporting

Indicator Definition:

Results are defined as a change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Results are linked by causal relationships; i.e., a result is achieved because related, interdependent results(s) were achieved. Strategic objectives are the highest level result of which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.

Financial information is that information which links strategic objectives to resource allocations, indicating how much has been obligated for and expended on achieving a particular result.